GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:926
ANSWERED ON:04.12.2015
One Time Loan Settlements
Lokhande Shri Sadashiv Kisan

Will the Minister of FINANCE be pleased to state:

(a) the number of one time loan settlements made by the nationalised and private banks in the country during each of the last three years and the current year, State-wise including Maharashtra;

(b) the amount of loans granted/received by the nationalised/private banks under the one time loan settlements during the said period, State-wise including Maharashtra;

(c) whether the said arrangements were in accordance with the RBI criteria for one time loan settlements; and

(d) if so, the details thereof and if not, the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(a) & (b): The amount of one time loan settlements including write off done and gross advances/credit by Public and Private Sector Banks (bank-wise) in the country during the last three years as collated and available with the Reserve Bank of India (RBI) is as per Annex. This information is collated by RBI annually.

(c) & (d): RBI has deregulated the matters related to One Time Settlement (OTS)/Compromise Settlements vide DBOD.BP.BC.81/21.01.040/95 dated July 28, 1995. Banks are autonomous bodies and are free to engage in OTS/Compromise Settlements with borrowers as per their Board approved internal policy, their commercial judgment and extant regulatory guidelines..

RBI has issued the following circulars in this regard:

i) DBOD.No.LEG.BC.114/09.06.002/2000-01 dated May 2, 2001 − Guidelines for compromise settlement of dues of banks and financial institutions through Lok Adalats.

ii) DBOD.No.BC.36/09.06.002/2001-02 dated October 24, 2001 - Guidelines for compromise settlement of dues of banks through Lok Adalats.

iii) DBOD.No.LEG.BC./21/09.06.002/2004-05 dated August 3, 2004 − Guidelines for compromise settlement of dues of banks and financial institutions through Lok Adalats Enhancing the ceiling from Rs. 5 lakh to Rs. 20 lakh.

iv) DBOD.No.BC.34/21.04.048/2007-08 dated October 4, 2007 − Guidelines on purchase/sale of Non Performing Assets

v) DBOD.No.BC.55/21.04.117/2007-08 dated November 30, 2007- Guidelines on settlement of Non Performing Assets − Obtaining Consent Decree from Court.

vi) DBOD.No.BC.112/21.04.048/2009-10 dated June 21, 2010 − Compromise/Negotiated/One Time settlement of Non Performing Assets − Appending of certificate that the compromise settlements are in conformity with the RBI guidelines.

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